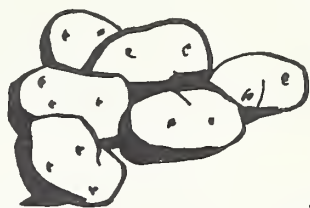


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7 **SUMMER
AND FALL
POTATOES** //

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+ **1967 ACREAGE-MARKETING
GUIDES** //



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U.S. DEPARTMENT OF AGRICULTURE • CONSUMER AND MARKETING SERVICE //

May 1967 • AMG 56

FOREWORD

"American agriculture today is freer than it has been for 30 years. There are few controls. Programs for such basic commodities as feed grains, wheat, and, in part, cotton, are now voluntary programs. Farmers have broad discretion in deciding whether to be in or out of the program. And there never have been controls of any kind on soybean and dairy production.

"Under voluntary programs, the farmer himself decides whether he wishes to join in the program to balance production with demand ... or wants to go it alone in the marketplace." 1/

The acreage-marketing guides program, a voluntary program, is designed to help potato growers in appraising the markets for their crop and developing a realistic planting and production schedule. The guides provide the latest information concerning the market potential for potatoes and the acreage needed to produce a supply in balance with market needs.

The guides are prepared by commodity specialists who follow the market for potatoes closely throughout the year. They analyze the variations of the market, check production and market opportunities, interpret the past seasons and their meaning for the coming one. All factors affecting the supply and demand for potatoes are considered.

On the basis of this continuous study of the potato market, specific recommendations are prepared. These recommendations are an effort by USDA to help growers provide adequate potato supplies -- enough to satisfy consumers' needs but not so much that prices get depressed.

The guide for each State is presented in terms of a percentage change in potato acreage from the preceding year's acreage. Each grower then can apply this percentage change to his own operation and obtain his individual guide. The recommendations are reviewed before publication by representatives of various agencies in the USDA with particular interest in the potato industry.

The fundamental concept behind the guides program is that, given the latest information available, the potato grower will make intelligent decisions for his and the industry's best interest. When growers have kept acreage within the levels recommended by the USDA, few marketing difficulties have been encountered.

1/ Excerpts from an address by Secretary of Agriculture Orville L. Freeman at the 44th Annual National Agricultural Outlook Conference, Jefferson Memorial Auditorium, USDA, Washington, D. C., November 14, 1966.

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1967 ACREAGE-MARKETING GUIDES
SUMMER AND FALL POTATOES

I. INTRODUCTION

The basic objective of acreage-marketing guides is to bring about a needed change in planted acreage from that of the preceding year so that the resulting production will be in balance with market needs. The performance of every potato producer has a bearing upon the ultimate market for this commodity. Therefore, to improve prospects for a successful season, each grower should adjust his own acreages in accordance with the individual State guide.

The recommended acreage adjustments necessarily assume normal weather, usual planting schedules, and normal harvesting and marketing patterns. The recommendations also assume average yield per acre will be obtained. With these conditions, production from the guide acreages would provide adequate supplies for all outlets under prospective demand conditions.

Before planting time, growers and processors should evaluate carefully their potential outlets. Potato producing areas which have developed local outlets, such as starch processing facilities or livestock feeding programs for the utilization of culls and other low-grade potatoes, have assured themselves of a valuable price stabilizer. Areas without such local outlets for the utilization of low-grade supplies should make efforts to establish them. The USDA stands ready to provide guidance and suggestions for such endeavors.

II. GUIDES FOR SUMMER AND FALL CROPS

The acreage guides in 1967 for early summer, late summer and fall potato States are listed on page 7; the marketing guides are on page 8.

The summer potato producing areas market most of their crop between early June and late September, and normally account for one-seventh of the annual crop. Fall potato areas, which store most of their crop at harvest, market their crop from early fall into late spring. Almost three-fourths of the total annual crop originates in the fall group of States. An objective of the guides program is to help growers plan seasonal and State crops that will be in balance with market requirements.

Early Summer Potatoes

The early summer States harvest and market their potato crop principally during June and July. The 1967 potato planting guide for early summer is a total planted acreage 4 percent less than in 1966. Such an acreage, with 1963-66 average yield by States, will result in a production of 12.7 million hundredweight or 8 percent less than in 1966. (See Figure 1, page 5).

Late Summer Potatoes

The late summer States harvest and market their crops principally during

Figure 1

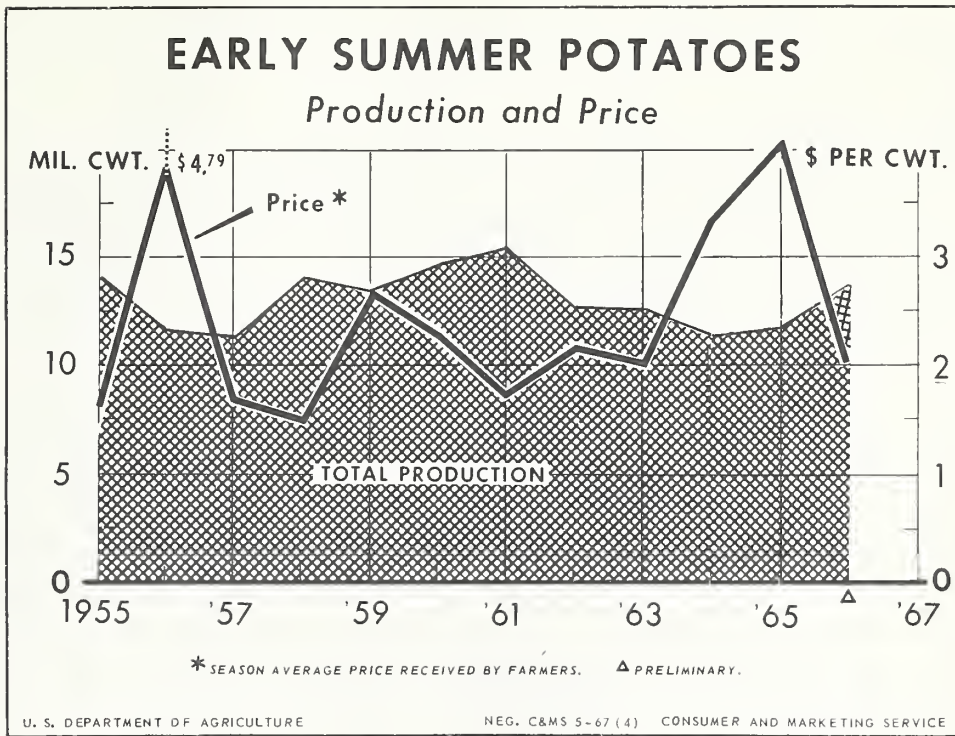
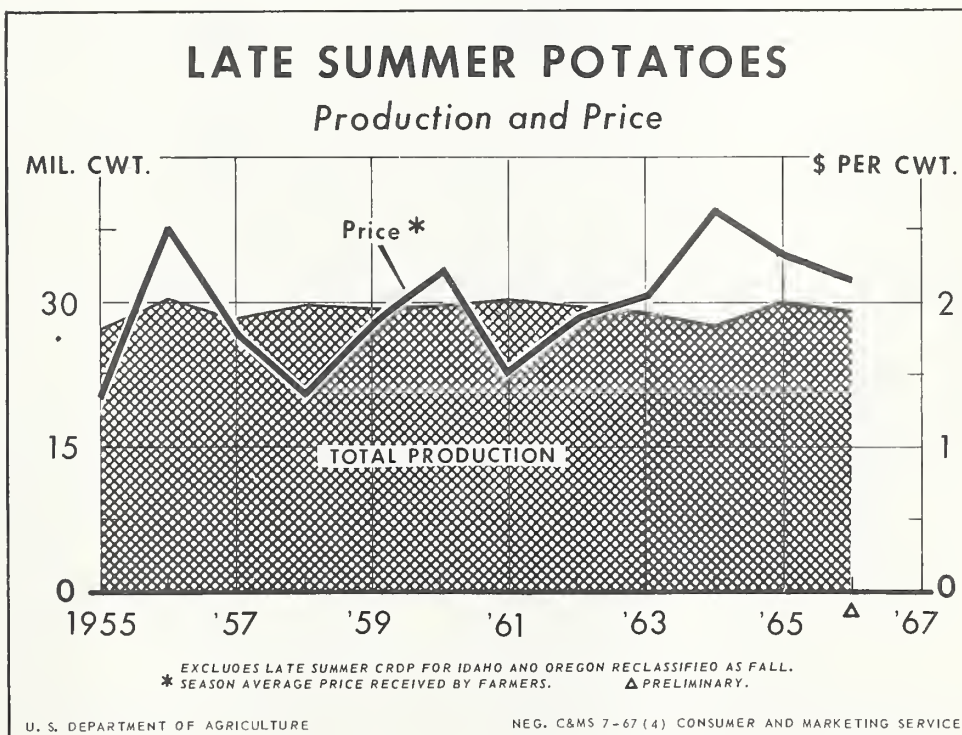


Figure 2



August and September. The 1967 potato planting guide for late summer is a total planted acreage equal to 1966. Such an acreage, with 1963-66 average yield by States, will result in a production of 29.5 million hundredweight, or one percent more than in 1966. (See Figure 2, page 5).

Fall Potatoes

The fall crop States harvest their crops principally in October and early November. Most of the fall crop is stored and is moved into markets in the late fall, winter, and early spring. The 1967 potato planting guide for the fall group of States is a total planted acreage 6 percent less than in 1966. Such an acreage, with 1963-66 average yield by States, will result in a production of 204.2 million hundredweight or 8 percent less than in 1966. (See Figure 3, below).

Acreage recommendations for individual summer-fall States range from 15 percent reductions to acreages equivalent to those planted in 1966. Recommendations for equivalent acreages have resulted for several States where total acreage and per-acre yield have shown little change for several seasons. In the early summer producing area of Texas, in Indiana (fall crop), and in several fall crop States in the West, acreage reductions in 1967 ranging from 12 to 15 percent are recommended. These States reported sharp increases in plantings in 1966 compared with 1965. The 1967 guide allocations for Texas and the several western States incorporate only part of the recent gains in these States' acreages.

Figure 3

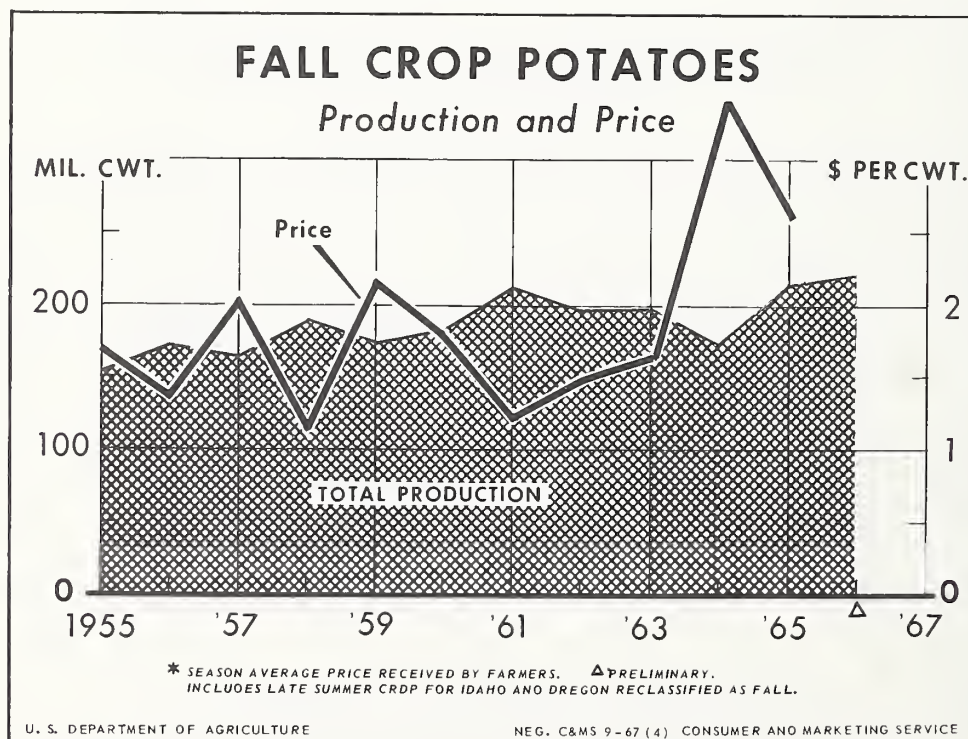


TABLE 1.--1967 POTATO ACREAGE GUIDES
SUMMER AND FALL CROPS AND SUMMARY

: : 1967 guide :			: : 1967 guide :		
Season	:Acreage:	percentage :	Season	:Acreage:	percentage
and	: guide :	change from :	and	: guide :	change from
State	: 1967 :	1966 planted:	State	: 1967 :	1966 planted
	<u>Acres</u>	<u>Percent</u>		<u>Acres</u>	<u>Percent</u>
<u>Early Summer:</u>			<u>Fall:</u>		
Missouri	3,500	0	Maine	150,790	- 4
Kansas	2,200	0	New Hampshire	1,400	0
Delaware	8,600	0	Vermont	1,900	0
Maryland	2,400	0	Massachusetts	4,800	0
Virginia:			Rhode Island	4,140	- 4
Eastern Shore	22,655	-4	Connecticut	6,400	0
Norfolk	380	-5	New York, L. I.	27,660	- 7
Other	3,500	0	New York, Upstate	41,000	0
Total Virginia	26,535	-3	Pennsylvania	35,600	0
North Carolina	4,500	0	8 Eastern-Fall	273,690	- 3
Georgia	600	0			
Kentucky	6,500	0	Ohio	9,300	0
Tennessee	7,350	-2	Indiana	5,015	-15
Texas	16,835	-12	Michigan	42,355	- 3
California	7,000	0	Wisconsin	38,280	- 8
Total E. Summer	86,020	-4	Minnesota	97,000	0
			Iowa	3,000	0
<u>Late Summer:</u>			North Dakota	110,000	0
Massachusetts	2,000	0	South Dakota	5,515	- 7
Rhode Island	1,200	0	Nebraska	8,720	- 1
New York, L. I.	9,800	0	9 Central-Fall	319,185	- 2
New Jersey	17,900	0			
Pennsylvania	3,400	0	Montana	8,070	- 2
Ohio	4,000	0	Idaho-10 S. W. Co.	29,750	-15
Indiana	2,400	0	Idaho-Other Co.	250,255	-12
Illinois	2,600	0	Wyoming	3,700	- 3
Michigan	7,700	0	Colorado	32,000	0
Wisconsin	19,500	0	Utah	9,000	0
Minnesota	8,000	0	Nevada	800	0
Nebraska	3,300	0	Washington	31,450	-15
Maryland	1,100	0	Oregon-Malheur Co.	12,325	-15
Virginia	2,800	0	" -Other Co.	26,160	- 3
West Virginia	8,000	0	California	26,650	- 6
North Carolina	3,000	0	9 Western-Fall	430,160	-11
Colorado	13,100	0			
New Mexico	2,400	0	Total Fall	1,023,035	- 6
Washington	21,000	0			
California	9,400	0	Total Winter	22,000	-15
Total L. Summer	142,600	0	Total Spring	146,815	-12
			Total Summer	228,620	- 1
			Total Fall	1,023,035	- 6
			U. S.	1,420,470	- 6

TABLE 2.--1967 POTATO MARKETING GUIDES
SUMMER AND FALL CROPS AND SUMMARY

Season and State	:	Marketing guide 1967	:	Season and State	:	Marketing guide 1967
		<u>1,000 cwt.</u>				<u>1,000 cwt.</u>
<u>Early Summer:</u>			<u>Fall:</u>			
Missouri		336	Maine		38,300	
Kansas		187	New Hampshire		260	
Delaware		1,703	Vermont		334	
Maryland		290	Massachusetts		1,018	
Virginia:			Rhode Island		969	
Eastern Shore		2,945	Connecticut		1,382	
Norfolk		39	New York, L. I.		7,358	
Other		217	New York, Upstate		8,938	
Total Virginia		3,201	Pennsylvania		6,550	
North Carolina		531	8 Eastern-Fall		65,109	
Georgia		32				
Kentucky		403	Ohio		1,730	
Tennessee		566	Indiana		1,179	
Texas		3,030	Michigan		7,624	
California		2,387	Wisconsin		7,388	
Total E. Summer		12,666	Minnesota		10,573	
			Iowa		426	
<u>Late Summer:</u>			North Dakota		12,870	
Massachusetts		392	South Dakota		590	
Rhode Island		223	Nebraska		1,683	
New York, L. I.		2,450	9 Central-Fall		44,063	
New Jersey		3,956				
Pennsylvania		564	Montana		1,348	
Ohio		604	Idaho - 10 S. W. Co.		8,270	
Indiana		494	Idaho - Other Co.		48,550	
Illinois		281	Wyoming		562	
Michigan		1,040	Colorado		7,488	
Wisconsin		3,393	Utah		1,440	
Minnesota		1,192	Nevada		149	
Nebraska		505	Washington		10,756	
Maryland		98	Oregon-Malheur Co.		3,217	
Virginia		190	Oregon - Other Co.		6,304	
West Virginia		488	California		6,956	
North Carolina		408	9 Western-Fall		95,040	
Colorado		2,568				
New Mexico		403	Total Fall		204,212	
Washington		7,035	Total Winter		4,275	
California		3,215	Total Spring		28,348	
Total L. Summer		29,499	Total Summer		42,165	
			Total Fall		204,212	
			U. S.		279,000	

III. SEASONAL POTATO TRENDS

Early Summer Potatoes

Total acreage of early summer potatoes reflected a long-term downward trend through 1964. Plantings were increased slightly in 1965, and were up almost a tenth in 1966. Acreage loss in early summer areas is usually small.

Potato yield per acre in the early summer season stabilized in the 1960's. But the seasonal yield is substantially below the U. S. annual average.

As shown in Figure 1, total early summer production held within a narrow range from 1962 through 1965. However, in 1966, total production was 15 percent above 1965. The increase was concentrated in Texas, where production in 1966 was 66 percent above 1965, and the Eastern Shore of Virginia, where tonnage was up 30 percent. In 1966, early summer potato acreage in Texas was record high. And a high yield per acre was obtained in Virginia.

A near burdensome production of spring potatoes in 1966 resulted in a declining trend in potato prices in the late spring. Market demand continued apathetic through the early summer of 1967 as overlap of late spring and early summer supplies was above normal. Prices for 1966 early summer potatoes were less than half the extremely high levels reported in 1965. (See Table 3, page 10.)

In 1967, competition from fresh supplies of late spring potatoes in the early summer is expected to be about as strong as in 1966. Carryover stocks of frozen and dehydrated potatoes will be large. The overall demand for fresh table potatoes produced in early summer areas, assuming normal harvest schedules, may be a little less than in 1966. However, requirements for potatoes for chipping will be up slightly to moderately. A crop smaller than last season should be adequate for prospective requirements.

Late Summer Potatoes

Total potato acreage for late summer harvest has changed little since 1962. The seasonal average yield is high. However, hot, dry, weather held the 1966 yield well below the 1965 peak.

For several years total production has held within a narrow range. The 1966 production was down slightly compared with 1965.

Because of the drought, the 1966 crop in the East was small. Crop out-turn in the Midwest was about average. But acreage increases combined with high yields resulted in a large crop in the West. Production in Washington in the late summer was a record, and 11 percent above 1965. The crop in California was up 9 percent, and was the largest in a decade.

Trading in summer crop potatoes was slow until it became apparent that the drought in the East would limit production potential. Potato prices increased sharply during the last half of July. And the contraseasonal price strength continued into early fall.

Table 3.--Potatoes: Monthly average prices at shipping point,
selected States, 1965 and 1966 seasons

Month	Central : Eastern Shore, :		New Jersey 2/ :		Long Island 2/ :		Washington 3/ :		Colorado 4/ :	
	California 1/ :	Virginia 2/ :	1965 :	1966 :	1965 :	1966 :	1965 :	1966 :	1965 :	1966 :
May	5.70	2.68	----	----	----	----	----	----	----	----
June	5.99	1.73	6.80	1.98	----	----	----	----	----	----
July	7.22	1.74	4.76	1.90	----	----	----	----	----	----
August	----	----	----	2.26	2.50	2.40	2.92	3.02	2.66	2.54
September	----	----	----	1.98	2.66	2.00	2.98	2.38	2.79	2.45

	Maine 2/ :		Michigan 2/ :		Idaho 3/ :		Colorado 4/ :	
	1965-66 :	1966-67 :	1965-66 :	1966-67 :	1965-66 :	1966-67 :	1965-66 :	1966-67 :
October	2.00	2.36	2.56	2.88	2.92	3.53	2.72	2.29
November	1.96	2.36	2.72	3.08	2.84	3.80	2.40	2.35
December	1.88	2.36	2.64	2.76	2.72	3.79	2.21	2.34
January	2.22	2.48	2.72	2.84	2.84	4.19	2.35	2.99
February	2.24	2.08	2.84	2.70	3.08	3.68	2.36	2.80
March	2.82	1.70	2.96	2.80	3.06	3.28	2.15	2.42
April 5/	3.36	----	----	----	3.32	----	2.48	----

Note: Prices reported for U. S. No. 1, Size A or better, per cwt. and are derived from averages of the daily and weekly range.

Note: Average prices at beginning and end of shipping season may not cover a full month.

- 1/ Long whites.
- 2/ Round whites.
- 3/ Russet Burbank.
- 4/ Round reds.
- 5/ Incomplete.

In 1967, demand for late summer potatoes in fresh market outlets may not be as brisk as in 1966. Carryover stocks of frozen and dehydrated potatoes may be record large. However, demand for late summer supplies for chipping in 1967 should be stronger than the preceding year.

Growers should "hold the line" on acreage. Anticipated market needs in the late summer of 1967 will require the production from the same number of acres planted a year earlier.

Fall Potatoes

Total acreage of fall potatoes in 1966 was 5 percent above 1965, and was the largest acreage since comparable reports began in 1949. The bulk of the increase was concentrated in Idaho, where acreage was 13 percent above 1965. But acreage in Washington also was expanded by 19 percent, and in Maine, by 5 percent.

Yield per acre in fall producing areas in 1966 was 208 hundredweight, off slightly from the 1965 record of 212. In several eastern and central fall States, average yield was reduced by hot, dry weather.

Total fall crop production (see Figure 3) in 1966, at 221 million hundredweight, was a record and 3 percent above the prior record crop in 1965, and 16 percent above the 1960-64 average. Most of the increase in production was concentrated in the West. The total crop in the nine western fall States was 38 percent above average. Fall crop outturns in the central and eastern regions varied slightly compared with the 1960-64 average.

A total fall potato production of 221 million hundredweight could have been expected to depress potato prices severely. But a mid-October freeze damaged a large acreage of fall potatoes in Idaho, just a few days before harvest was scheduled. Although much of the freeze-damaged acreage was harvested, tubers that had been frosted "broke down" in storages. Damage to the Idaho crop, according to the Crop Reporting Board, was equivalent to one-third of the total disappearance of 1966 crop Idaho potatoes estimated up to January 1, 1967.

Potato prices, which had dipped to a seasonal low in October 1966, increased and held at moderate to firm levels in the winter of 1966-67. Demand for fresh potatoes apparently faltered in the winter of 1966-67. For example, total potato unloads in 41 cities in November and December 1966 was 7 percent less than in the like period of 1965. The lag in unloads continued in January and February 1967. By late winter potato prices in all major shipping areas were under pressure, particularly prices for eastern round whites which declined sharply in March 1967.

IV. REGIONAL FALL CROP POTATOES

Eastern Fall Crop

Maine continues to dominate in the East in fall potato production (see Figure 4). In 1966, 59 percent of the eastern regional fall crop was produced

in Maine. Upstate New York and Long Island combined (with 16.6 million hundred-weight) had a 26-percent share of the regional crop, Pennsylvania had 9 percent and the New England States (other than Maine) had 6 percent.

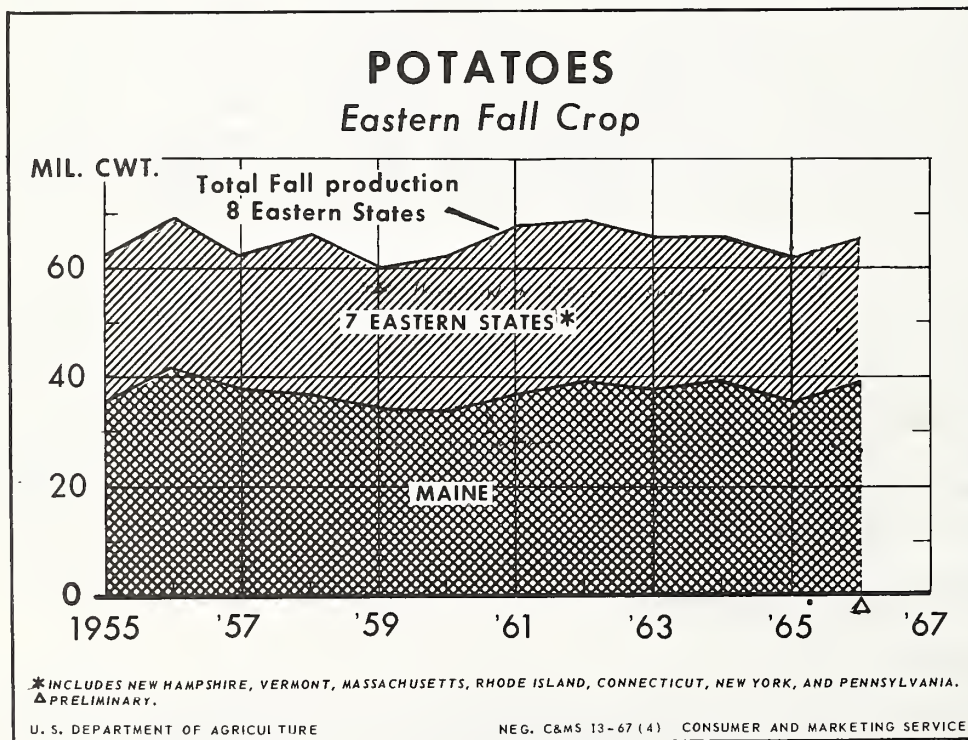
The 1966-67 marketing season in the East was one of "slow markets." In the late summer of 1967, potato marketings from New Jersey lagged. With increase in competition from the overlap in supplies from New Jersey, Long Island late summer and fall potato sales also were below year-earlier levels.

Late in 1966, unloads of New Jersey potatoes in major cities were 25 percent below the year-earlier total. And total unloads of Long Island potatoes were down 40 percent. However, all other major eastern potato areas also reported declines in unloads in 1966 compared with 1965.

The backing-up in supplies in the Middle Atlantic areas also was reflected in the substantial increase in storage holdings in Maine on March 1, 1967 compared with a year earlier. The heavy potato supply in Maine plus the import potential from the extremely large supply in the Maritime Provinces in Canada severely depressed Maine potato prices in March and early April, 1967.

In 1967-68, rate of movement in eastern fall crop marketings is expected to be more favorable than in this season. The total marketing guide for the 1967 fall crop in the 8 Eastern States is 65.1 million hundredweight.

Figure 4



Central Fall Crop

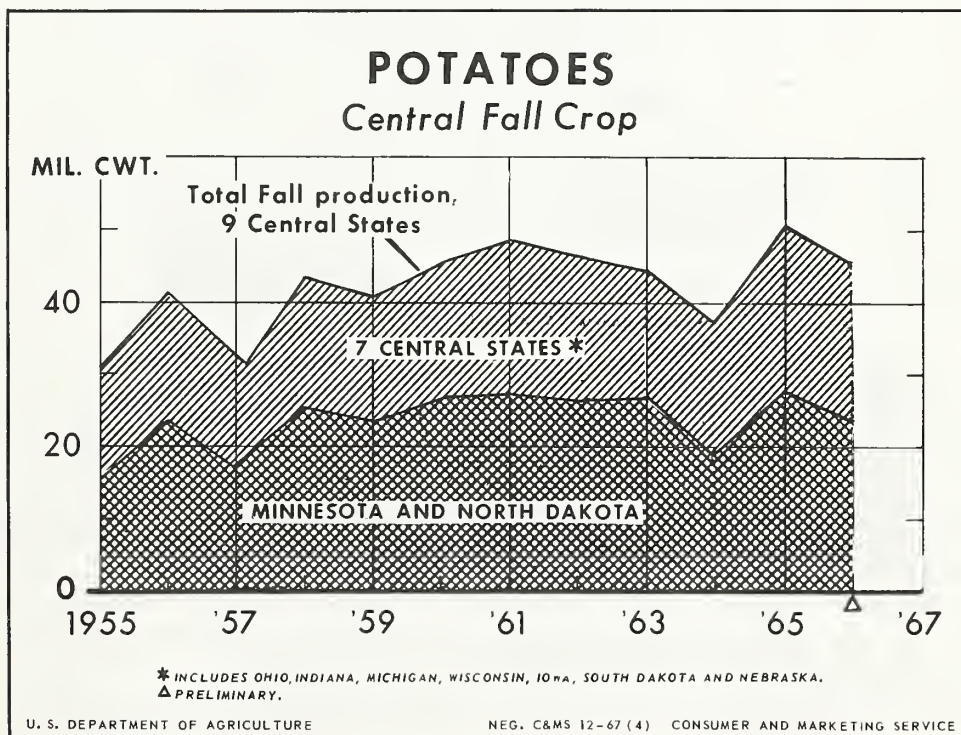
The Minnesota and North Dakota fall potato crops combined accounted for almost 52 percent of the total potato crop in 1967 in the 9 central fall States. Wisconsin's share was 18 percent and Michigan, 17 percent.

The 1966 central fall production, at 45.6 million hundredweight, was substantially less than the large crop in 1965 (see Figure 5). Total potato supplies in the central region in 1966-67 were in close balance with market requirements. Total unloads of Wisconsin, Indiana and Ohio potatoes declined in 1966-67 compared with the preceding season. But an increase in unloads were reported for potatoes originating in Michigan, the Red River Valley, Nebraska, and South Dakota.

At Michigan shipping points, potato prices showed firmness in the early fall. Prices for Wisconsin and Red River Valley potatoes increased substantially late in October following the freeze-damage to the Idaho crop. By late winter, however, prices in the central States had declined moderately.

In 1967 the total marketing guide for the central fall States is 44.1 million hundredweight, 3 percent less than the 1966 production.

Figure 5



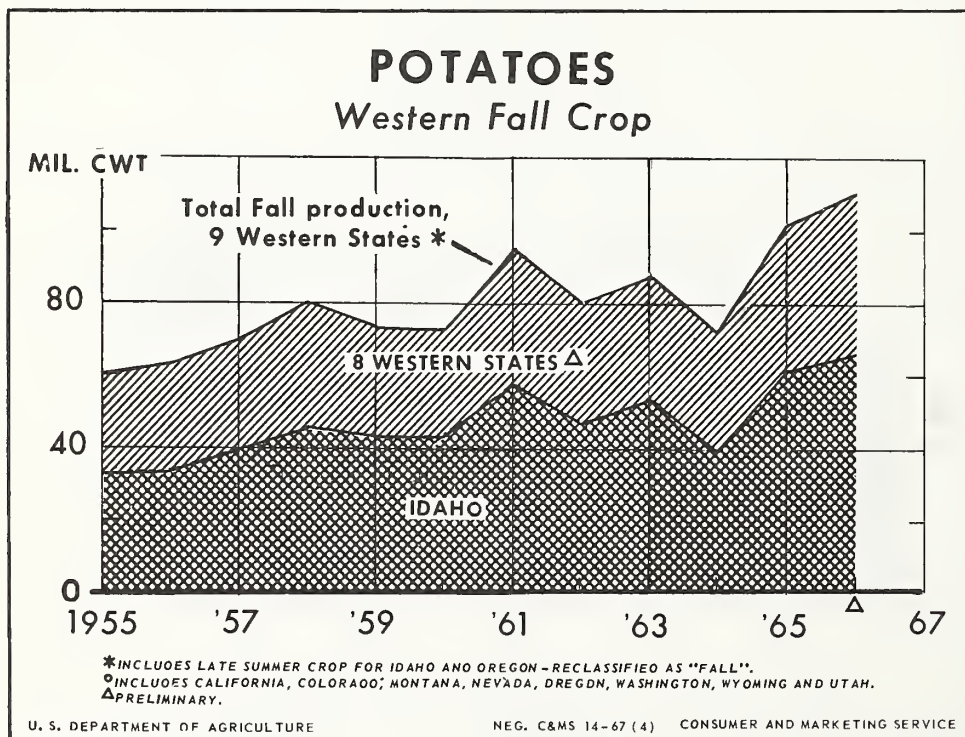
Western Fall Crop

About half of the 1966 fall crop was produced in the West. Idaho, the top State in potato production was the source of 60 percent of the regional crop. Washington's share was 12 percent, and Colorado 10 percent.

Total western fall production in 1967, at 110.3 million hundredweight (see Figure 6), was 9 percent above 1965 and 38 percent above the 1960-64 average. In spite of the record crop, there was active bidding for western fall potatoes. Intrastate processors in Idaho and Washington utilized large quantities of storage supplies. And demand for table stock was favorable, particularly for Oregon and Colorado stocks. The combined demand in fresh and processing outlets plus heavy storage losses in Idaho pushed up prices for 1966 crop western potatoes.

A crop of the size produced in 1966 ordinarily would result in a severely depressed potato market. Therefore, growers in the West are recommended to reduce acreage in 1967. A crop of 95 million hundredweight should be adequate for market needs.

Figure 6



Idaho

Top State in production---most of the crop consists of the Russet Burbank variety---active marketing order to regulate grade, size and maturity---acreage up 13 percent in 1966---per acre yield high---total production, at 66 million hundredweight, a State record---mid-October 1966 freeze severely damaged fields just prior to harvest and resulting loss of potatoes put into storages high---also top State in quantity potatoes used by local processors---local processors including freezers and dehydrators utilized over half 1965 crop, and expected to utilize over half 1966 production---cumulative unloads 1966 crop Idaho potatoes in 41 cities down one-fifth compared with 1965-66 when total unloads were 20,600 carlot equivalents---unloads from competing western States higher in 1966-67---prices in Idaho strengthened following freeze and 1966 crop value in Idaho likely close to preceding season's \$108 million---1966 crop excessive for market requirements---freeze may have prevented "disorderly market"---nearby western States, in competition with Idaho, producing larger crops for fresh market and processing---market requirements for Idaho potatoes likely to increase but at a declining rate---the USDA guide recommends a substantial cut in production in 1967.

Maine

Second State in rank in potato production in 1966---most of crop consists of round white varieties plus a small amount of Russet Burbanks---total acreage was up 5 percent in 1966---per acre yield was below average---total production, at 38.7 million hundredweight, was 3 percent above average---local processors utilized one-fourth of the 1965 crop but processor use is down moderately in 1966-67---slow rate of disappearance of 1966 crop in both Long Island and Maine, and potato prices in Maine weakened in March-April 1967---total seed shipments in Maine also less than last year's rate when total movement was 7,000 carlot equivalents---Maine's fresh market shipments also down substantially compared with last year---large export potential of potatoes from the Maritime Provinces of Canada also checked demand for Maine potatoes---quantity of Maine potatoes used in processed potato items expected to trend upward---market needs for Maine table stock potatoes expected to hold about steady---USDA guide for Maine suggests moderate decrease in acreage in 1967.

Washington

Third State in rank in potato production in 1966---most of the crop consists of Russet Burbank varieties plus some late summer fields of round varieties---total acreage in 1966 was up 16 percent compared with 1965 and was a State record---per acre yield, at 363 hundredweight, was the highest in the Nation---total production was 21.0 million hundredweight, almost double the State's 1960-64 average---potato processors (freezers and dehydrators) in Washington utilized more than one-half of the 1965 crop and are expected to process approximately one-half the 1966 crop---in 1967, Washington growers can expect increases in competitive market supplies of both fresh and processed potatoes---marketing distress may result in 1967 if growers follow through on their planting intentions.

VI. DEVELOPMENT OF THE GUIDES

The principal uses of potatoes are for food and for seed. Commingled with food and seed supplies are quantities removed in the grading process and surplus stocks. Quantities not required for food and seed and those removed in the grading process -- the so-called residual quantities -- are moved to live-stock feeders or to starch plants. Some of the residual quantity also is accounted for by shrinkage, waste and loss.

In the development of guide recommendations for potatoes, the procedure is to establish a national marketing guide. A summary sheet of production and utilization data for several past crop years is prepared. Production and price relationships are evaluated in relation to levels and trends in use of potatoes in principal outlets. These levels and trends are the basis for estimating potato needs in the crop year ahead. The sum of these potato needs is the national marketing guide. The national guide is distributed to the seasonal crops and to individual States on the basis of both recent average yields per acre and average production.

For the 1967 crop year, a national potato marketing guide of 279.0 million hundredweight is recommended. This is 7 percent less than the 1966 crop of 300.9 million hundredweight, but it is 2 percent more than the 1961-65 average of 272.2 million hundredweight. A summary of potato utilization and the 1967 marketing guide is shown below. (Also see Table 4, page 18.)

Utilization	: Average : 1959-63	: 1964	: 1965	: Probable, : 1966	: Guide : 1967
<u>Million hundredweight</u>					
Food	206.6	197.3	234.1	232.5	230.3
Seed	21.0	21.7	23.5	22.0	22.0
Residual	<u>39.5</u>	<u>20.3</u>	<u>32.2</u>	<u>40.4</u>	<u>26.7</u>
Total production	267.1	239.3	289.8	300.9	279.0

Estimated utilization of the marketing guide crop includes 230.3 million hundredweight for food, 22.0 for seed for 1968 crop plantings, and 26.7 for residual uses including shrinkage, waste, loss, livestock feed and starch. Approximately 91 percent of the total marketing guide crop would be used for food and seed combined, and the residual is 9 percent.

In 1967-68, market requirement for food potatoes is expected to continue at a near-record level. Slightly less than 60 percent of total potato food needs will be supplied from fresh table supplies, and processed products, including frozen and dehydrated items plus chips, will account for slightly more than 40 percent. Per capita use of processed potatoes will continue to increase (at a decreasing rate), and fresh use is expected to decline slightly to moderately. Total per capita use in 1967-68 is expected to show little change from the 1961-65 average of 110 pounds.

Some of the recent gain in use of potatoes for processed products reflected build-up in inventories of frozen and dehydrated potatoes. In the first quarter of 1967, several processors began to cut back on their output of processed products, which indicates that at that time inventories had risen to ample levels.

Import-export activity in potatoes normally is equivalent to one or two percent of the total domestic supply (see Figure 12, page 20). Most of the trade takes place with Canada, with potatoes flowing in both directions between countries. The potato crop in Canada in 1966 was large. And potato import volume from Canada in 1966-67 has been more than double the tonnage in the preceding season.

Exports of dehydrated potatoes in 1966 amounted to 13.8 million pounds. Oversea demand for dehydrated potatoes has been strong. But the long range prospects for exports of processed potatoes do not appear favorable.

The retail price trend for fresh potatoes is shown in Figure 7 below. A small supply of storage potatoes was largely responsible for the strong market in the first half of 1965. But potatoes usually are a good "buy", particularly when retail prices are related to the increases in consumer buying power. Other trends in potatoes are shown in Figures 8 through 14, pages 23 to 27.

Figure 7

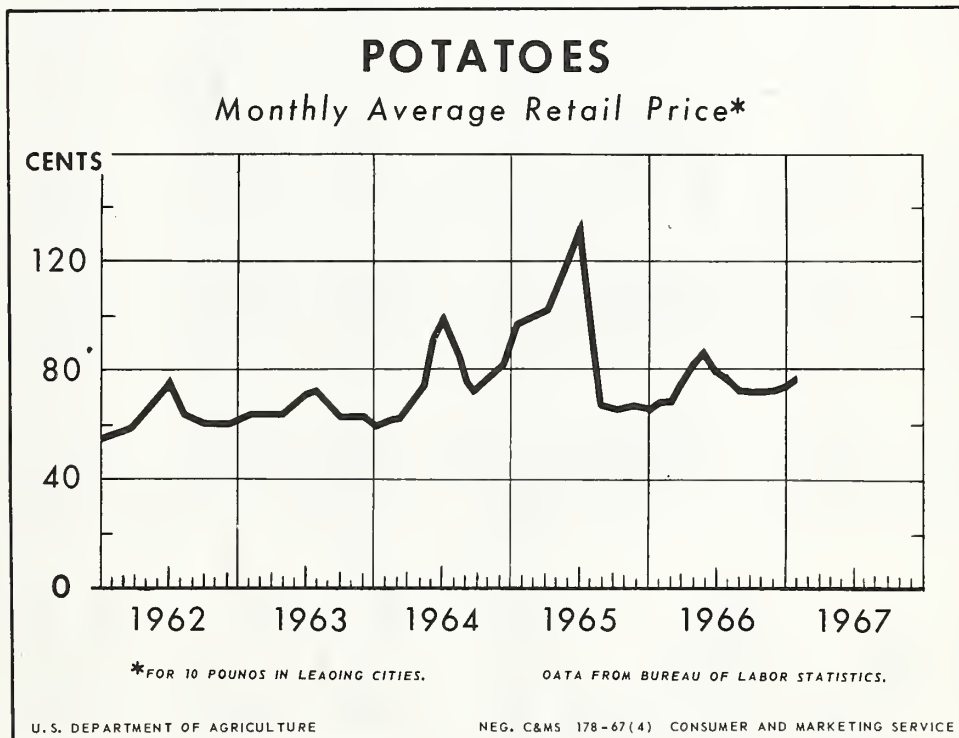


Table 4.--Potatoes: Utilization of 1956-65 crops

Utilization items	Crop year									
	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965
	----- Thousand cwt. -----									
Fresh food:										
Tablestock	146,048	148,408	148,868	149,123	149,199	153,337	150,893	146,532	126,931	138,018
On-farm	9,312	8,176	7,279	5,920	5,449	5,236	4,843	4,511	3,977	3,780
Subtotal	155,360	156,584	156,147	155,043	154,648	158,573	155,736	151,043	130,908	141,798
Processed food:										
Chips, etc.	14,566	17,356	17,063	20,085	21,018	22,642	24,086	26,693	28,783	31,511
Dehydration	3,223	3,776	5,917	7,656	10,104	8,518	9,280	9,909	10,801	20,122
Frozen	4,675	4,827	8,263	9,918	15,042	18,138	18,400	22,425	23,654	37,302
Canned	2,283	2,606	2,864	2,447	2,809	2,775	2,926	3,240	3,201	3,348
Subtotal	24,747	28,565	34,107	40,106	48,973	52,073	54,692	62,267	66,439	92,283
(1) Total food	180,107	185,149	190,254	195,149	203,621	210,646	210,428	213,310	197,347	234,081
(2) Starch, flour	18,336	12,691	18,387	7,718	10,177	20,493	11,285	11,737	2,990	8,081
(3) Feed sales	7,675	8,950	18,918	6,607	5,348	20,340	7,913	10,103	5,587	5,797
Feed on farms	4,148	2,718	3,916	3,085	2,909	4,234	3,381	3,128	1,828	2,159
Total	11,823	11,668	22,834	9,692	8,257	24,574	11,294	13,231	7,415	7,956
(4) Seed sales	13,435	13,641	13,079	13,583	14,823	13,823	14,333	14,159	14,191	16,853
Seed on farm	6,752	7,577	7,086	7,166	7,707	7,452	6,085	6,094	7,527	6,617
Total	20,187	21,218	20,165	20,749	22,530	21,275	20,418	20,253	21,718	23,470
(5) Shrinkage, waste and loss	15,339	11,796	15,257	12,491	12,850	16,606	13,278	13,199	9,933	16,195
(6) Production	245,792	242,522	266,897	245,799	257,435	293,594	266,703	271,730	239,403	289,783

Source: Statistical Reporting Service, USDA.

Table 5.--Potatoes: Selected supplies in late winter and early spring, 1967 compared with 1966

Item	: 1966	: 1967 1/	: 1967 as a percentage of 1966
	Million cwt.	Million cwt.	Percent
U. S. storage stocks, by regions, March 1:			
Eastern States	23.1	29.2	126
Central States	14.8	14.2	96
Western States	<u>37.4</u>	<u>31.5</u>	<u>84</u>
Total, U. S.	75.3	74.9	99
Canadian storage stocks, March 1 (Dominion Bureau of Statistics):			
Maritime Provinces 2/	7.7	10.9	142
Other Provinces	<u>4.0</u>	<u>5.8</u>	<u>145</u>
Total, Canada	11.7	16.7	143
Early Spring Crop	4.9	3.2	65
Late Spring Crop	27.0	<u>3/</u>	--

1/ Subject to revision.

2/ New Brunswick, Nova Scotia, and Prince Edward Island.

3/ To be reported, May 10.

Total stocks of fall potatoes held by growers and local dealers on March 1, 1967 were slightly less than the year-earlier total. But the geographic distribution of stocks differed greatly from the preceding season. A decrease of 16 percent in total storage holdings in the West was about offset by a 26 percent increase in the East. Heavy storage supplies in Canada's Maritime Provinces also accentuated market pressures for round whites in eastern domestic markets.

A late February freeze and subsequent dry weather resulted in a small 1967 early spring crop in Florida. Growers reduced their 1967 late spring plantings by 8 percent. Consequently, late spring potato production in 1967 may be less than last year's above average crop.

Table 6.--Potatoes: Production in areas with active
Federal marketing orders

State or area	Seasonal production, 1966			Combined
	Late		Combined	total as
	summer	Fall	total	percentage of
	1,000 cwt.			U. S. crop 1/
				Percent
Colorado	2,794	8,680	11,474	3.8
Idaho-Malheur County, Oregon	0	69,820	69,820	23.2
Oregon - California <u>2/</u>	0	11,386	11,386	3.8
Washington	7,350	13,690	21,040	7.0
Total above	10,144	103,576	113,720	37.8

1/ The U. S. total crop was 300,940,000 hundredweight.

2/ Includes all Oregon except Malheur County and Modoc and Siskiyou Counties in California.

Comments for Table 6

Under a marketing agreement and order program, an industry can regulate the marketing of its crop. The potato States listed above have established grade, size and maturity regulations for fresh potatoes which are shipped in trade channels. These marketing agreement and order programs are authorized under the Agricultural Marketing Agreement Act of 1937, as amended.

Comments for Table 7, page 21

The total value of the annual potato crops show wide year-to-year changes. Small crops usually bring high prices and a high value in sales. And large or surplus crops sell at depressed prices. The 1964 crop was small relative to normal market requirements. And total value was a record \$755.7 million. Although production in 1965 was 21 percent above 1964, total value of sales was 12 percent less.

Table 7.--Potatoes: Seasonal summary of production, price received by farmers, and value of sales

Year	Production									
	Winter		Early spring		Late spring		Early summer		Late summer	
	:	:	:	:	:	:	:	:	:	:
	Million cwt.									
1961	5.0	4.6	27.8	15.5	36.1	204.6	293.6	293.6		
1962	4.2	3.4	21.7	12.7	29.5	195.2	266.7	266.7		
1963	3.9	5.1	23.8	12.6	28.9	197.3	271.7	271.7		
1964	3.7	4.2	20.2	11.5	27.6	172.2	239.4	239.4		
1965	3.7	4.9	25.1	11.9	30.3	213.8	289.8	289.8		
1966	5.1	4.9	27.0	13.8	29.2	221.1	300.9	300.9		
1967 guide	4.3	4.8	23.5	12.7	29.5	204.2	279.0	279.0		
Price - \$ per cwt.										
1961	2.44	2.17	1.71	1.72	1.45	1.22	1.36	1.36		
1962	2.37	3.23	2.36	2.16	1.88	1.47	1.66	1.66		
1963	2.39	2.43	1.79	2.02	2.04	1.69	1.78	1.78		
1964	3.08	3.54	3.71	3.37	2.65	3.63	3.50	3.50		
1965	5.52	4.57	4.78	4.04	2.34	2.09	2.54	2.54		
Value of sales - \$ million										
1961	11.5	10.0	44.8	22.8	47.3	218.0	354.4	354.4		
1962	9.4	11.0	48.0	23.2	49.6	256.9	398.0	398.0		
1963	8.8	12.3	39.3	21.8	53.9	298.5	434.6	434.6		
1964	10.9	14.6	71.7	33.5	67.5	557.5	755.7	755.7		
1965	19.4	22.3	115.5	41.8	65.7	397.5	662.2	662.2		

Note: Data may not tally due to rounding.

Note: Price and value for 1966 crop to be released in August 1967.

Table 8.--Potatoes, Fresh: Total unloads in 41 cities, selected States of origin, 1966-67 compared with last season

State	: : Total 1965-66 : through April 8 :	: : Total 1966-67 : through April 7 :	: : Percentage change : in 1966-67 :
	<u>Carlot equivalents</u>	<u>Carlot equivalents</u>	<u>Percent</u>
Connecticut	327	276	- 16
Massachusetts	294	247	- 16
Maine	11,506	11,249	- 2
New Jersey	2,207	1,765	- 20
New York	14,399	10,507	- 27
Pennsylvania	2,149	1,106	- 49
Indiana	2,358	1,631	- 31
Michigan	4,538	5,242	+ 16
Minnesota	5,031	5,057	+ 1
Nebraska	657	762	+ 16
North Dakota	5,151	5,282	+ 3
Ohio	1,427	1,280	- 10
South Dakota	83	158	+ 90
Wisconsin	7,090	5,958	- 16
California	32,723	29,825	- 9
Colorado	6,871	6,790	- 1
Idaho	14,432	11,958	- 17
Montana	112	183	+ 63
Nevada	40	33	- 18
Oregon	4,641	5,452	+ 17
Utah	425	256	- 40
Washington	7,573	8,216	+ 8
Wisconsin	7,090	5,958	- 16
Wyoming	50	265	+ 430
Canada	197	1,054	+ 435

Comments for Table 8

Total unloads of potatoes originating in eastern producing areas during the 1966-67 shipping season declined compared with the preceding season. However, most of the central States and several of the western States have reported an increase in unloads this season.

Several factors are responsible for the decline in total unloads in the current season. These include a drop in consumer demand for fresh potatoes, interference with shipments and deliveries due to severe winter snowstorms, and lack of fresh supplies at some shipping points. In addition, consumers are purchasing more frozen and dehydrated potatoes. And this has resulted in a reduction in per capita use of fresh potatoes.

Figure 8

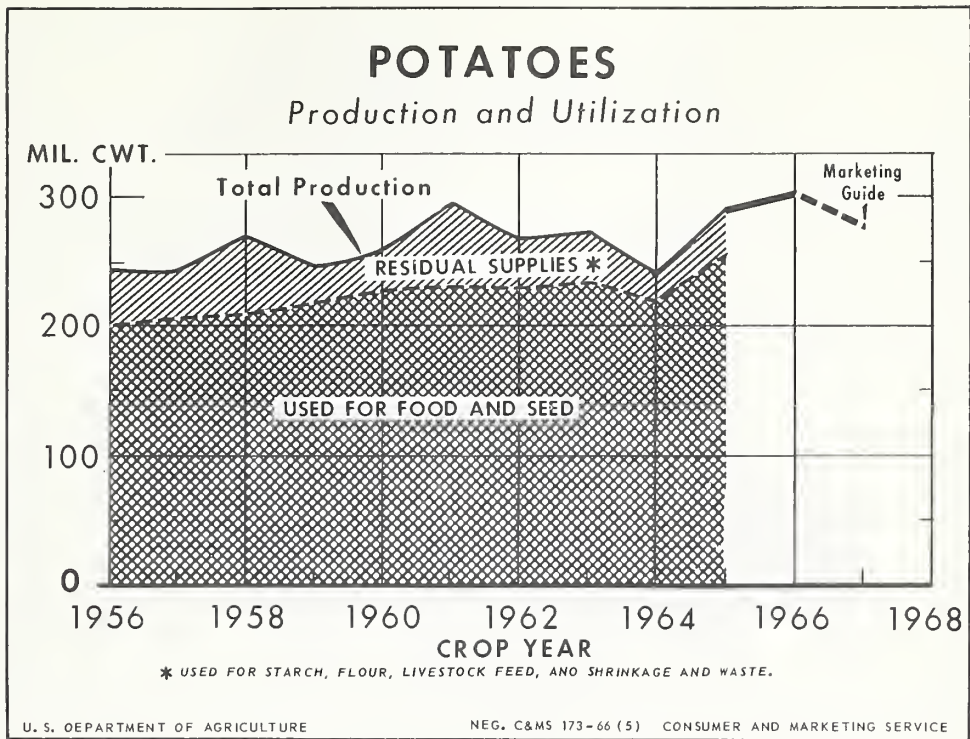


Figure 9

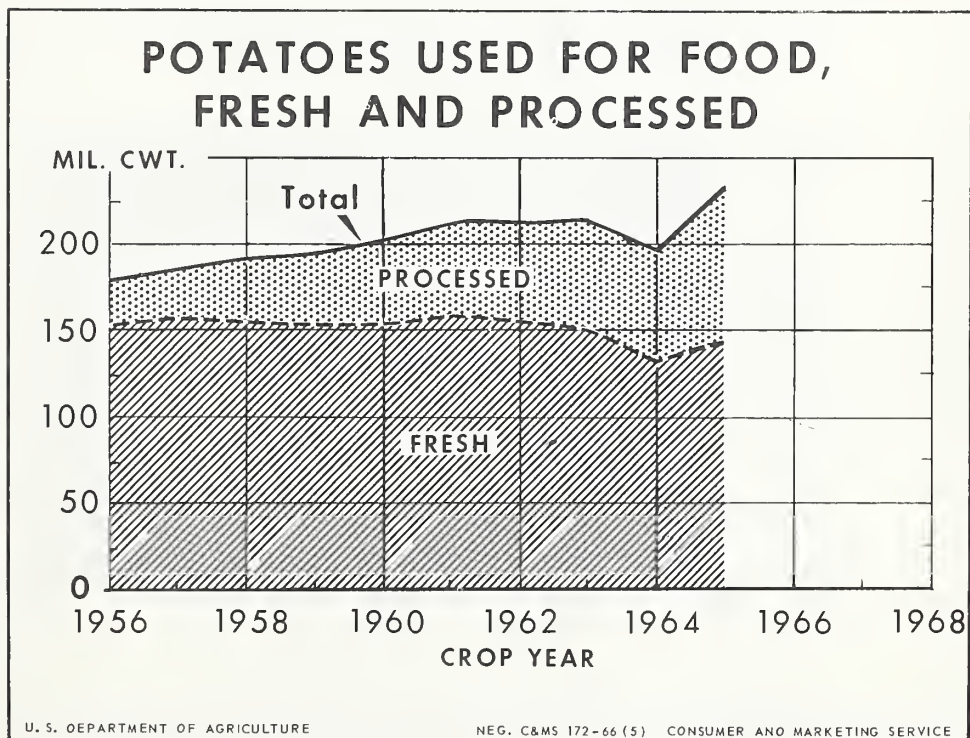


Figure 10

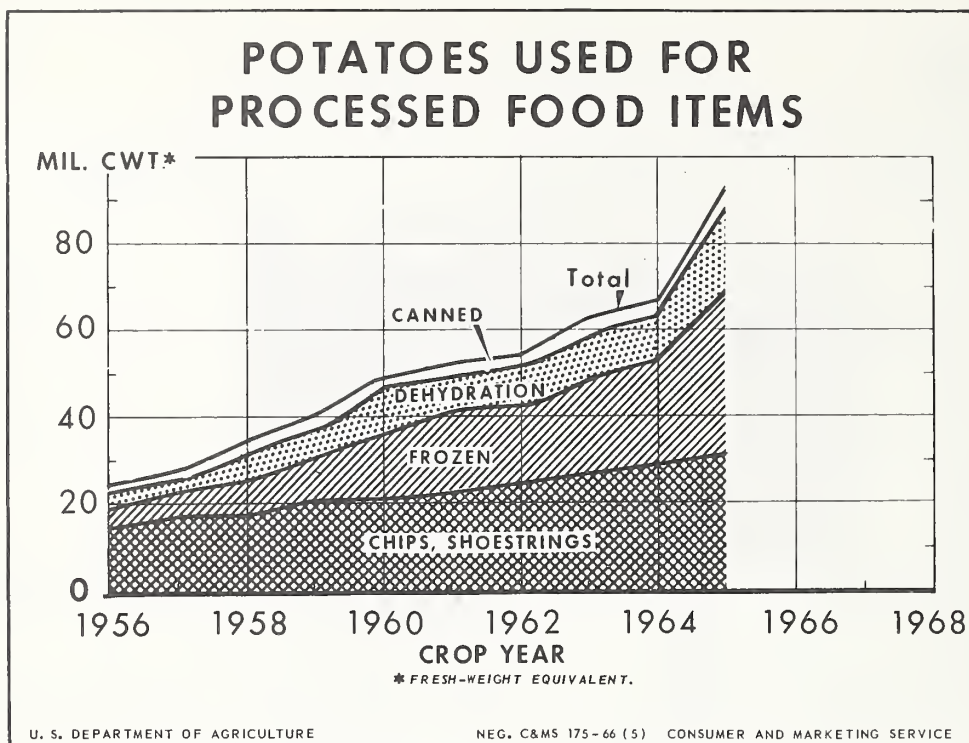


Figure 11

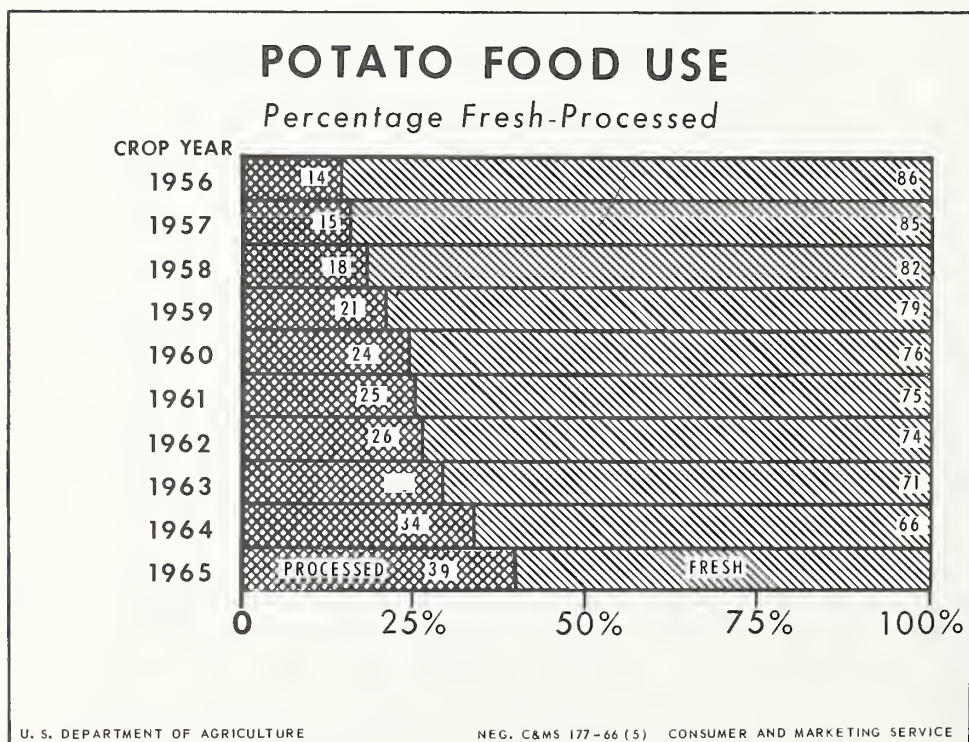


Figure 12

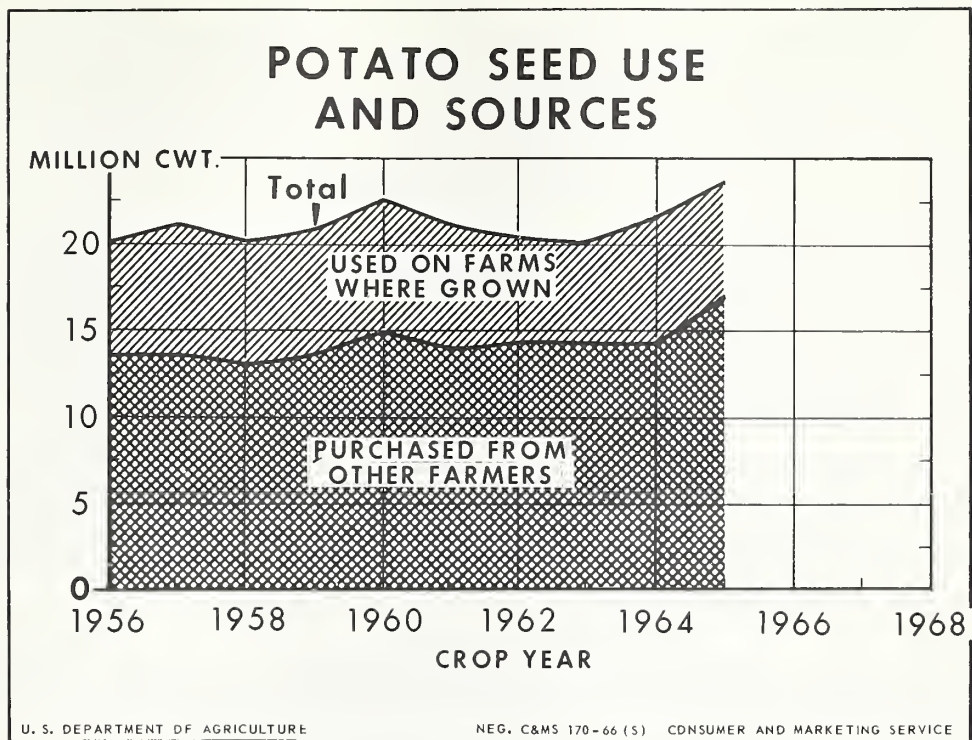
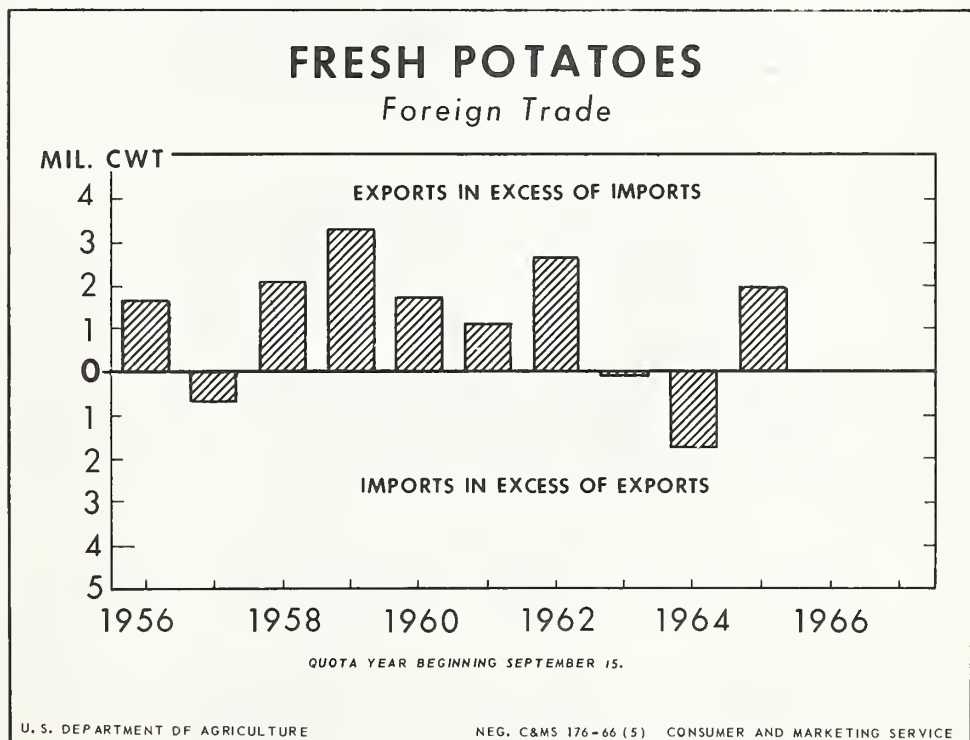


Figure 13



VII. DEMAND FOR POTATOES IN 1967

Demand for goods and services in the U. S. economy, which rose rapidly in 1966, continued strong in the first quarter of 1967. Consumers' disposable income increased moderately in 1966. And part of this increase was reflected in a gain in per person expenditure for food. Consumers' expenditure for food as percentage of their total disposable income in the fourth quarter of 1966 was slightly below 18 percent, an all-time low.

Expanding output, more jobs and a rise in wage rates will help to push up incomes further in 1967. With increases in consumer buying power, demand for farm products, including potatoes, is expected to be well maintained. Market demand for fresh potatoes will be active. And consumers' purchases of processed potato products will be stimulated by rising incomes (see trend in frozen French fried below).

Although the strong economy is a positive factor in the outlook for potato marketing, prices received by growers will be influenced largely by the amount produced. In addition, timeliness of harvest and the quality of supplies ordinarily affect market returns. Grower-processor contracts will improve the likelihood of market stability.

Growers should reconsider their late summer and fall planting intentions in 1967. Too much acreage will result in a market surplus and bring on chronic market distress.

Figure 14

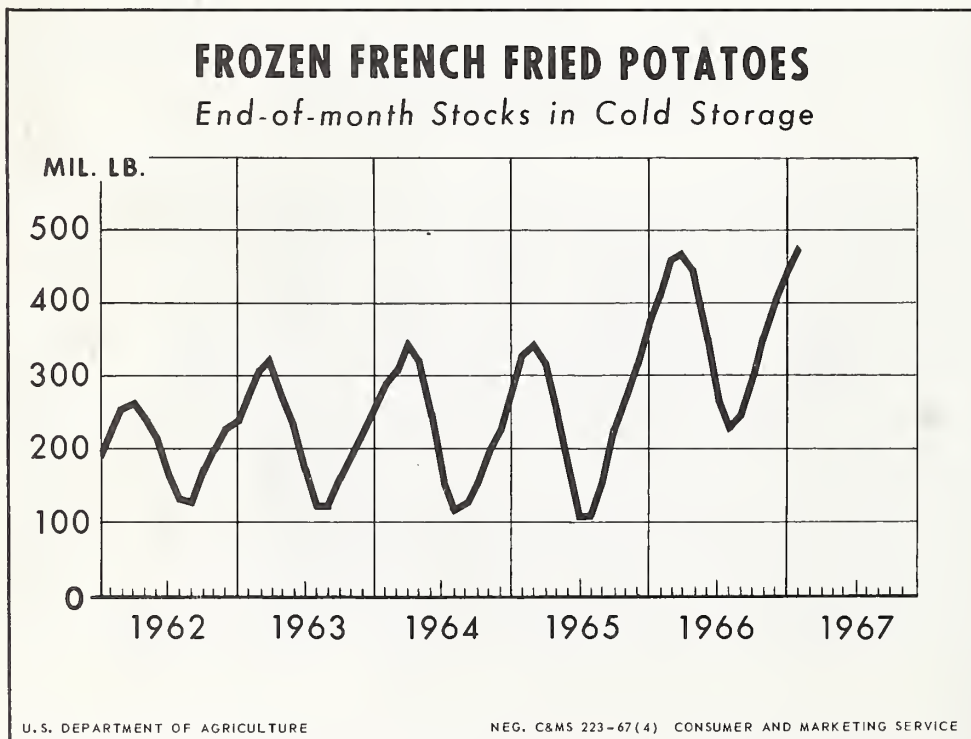


Table 9.--Potatoes: Number of farms reporting Irish potatoes harvested for home use or sale with comparisons, 1964 Census of Agriculture
(Preliminary report)

State	Farms reporting		Number of farms		State		Farms reporting		Number of farms	
	1959		1964		as percentage		1959		1964	
	Number	Percent	Number	Percent	of 1959	of 1964	Number	Percent	Number	Percent
Alabama	21,199	26	5,474	26		Montana	3,686	1,841	50	
Alaska	149	70	105	70		Nebraska	8,187	3,867	47	
Arizona	87	66	57	66		Nevada	133	69	52	
Arkansas	28,735	41	11,654	41		New Hampshire	1,526	680	45	
California	1,151	75	863	75		New Jersey	692	433	63	
Colorado	1,712	61	1,040	61		New Mexico	77	67	87	
Connecticut	1,069	36	387	36		New York	8,840	4,763	54	
Delaware	694	24	169	24		North Carolina	72,712	30,784	42	
Florida	1,203	70	839	70		North Dakota	6,801	5,872	86	
Georgia	9,720	33	3,179	33		Ohio	11,728	8,967	76	
Hawaii	79	39	31	39		Oklahoma	13,735	5,434	40	
Idaho	6,261	71	4,435	71		Oregon	2,432	1,870	77	
Illinois	21,743	27	5,954	27		Pennsylvania	13,385	8,011	60	
Indiana	13,854	52	7,243	52		Rhode Island	152	89	59	
Iowa	18,170	48	8,656	48		South Carolina	5,461	1,584	29	
Kansas	13,610	44	5,935	44		South Dakota	1,960	1,130	58	
Kentucky	73,851	51	37,848	51		Tennessee	64,939	23,789	37	
Louisiana	9,310	32	2,977	32		Texas	18,687	8,470	45	
Maine	5,818	70	4,052	70		Utah	1,568	930	59	
Maryland	4,091	48	1,967	48		Vermont	2,801	1,212	43	
Massachusetts	1,270	51	648	51		Virginia	47,190	23,937	51	
Michigan	12,183	45	5,492	45		Washington	3,681	2,139	58	
Minnesota	21,471	37	7,840	37		West Virginia	27,370	17,296	63	
Mississippi	27,857	23	6,483	23		Wisconsin	19,853	8,226	41	
Missouri	51,671	48	25,005	48		Wyoming	299	220	74	
						U. S.	684,853	310,013	45	

Source: Series AC 64Pl, Bureau of the Census.

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